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GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Home Department – The Andhra Pradesh Banning of Unregulated Deposit Schemes Rules, 2022 – Notification -Orders - Issued.

Home (General.A) Department

G.O.Ms.No. **134** Dated: 04.09.2022.
Read the following:-

1. From the Joint Secretary to Government of India, Department of Financial Services, Ministry of Finance, Government of India, New Delhi, F.No.6/8/2015-BO.II, dated:28-3-2019.
2. From the Additional Director General of Police, Crime Investigation Department, A.P., Lr.C.No.3322/C-11/CID/2019, dt:20-5-2019 and 07-01-2020.
3. From the Secretary, Citizens for Social Justice, Kiran Shankar Roy Road, Kolkata -700001, representation, dated:03.09.2019.
4. Government letter No.3241/Gen.A/A2/2019, dated:23-02-2021
5. From the Deputy Director to Government of India, Ministry of Finance, Department of Financial Services, New Delhi, letter F.No.6/2/2020-BO.II, dated:10-02-2022.

ORDER:-

In the letter 1st read above, the Ministry of Finance, Government of India have informed that, the "Banning of Unregulated Deposit Schemes Ordinance, 2019" has been promulgated by the Hon'ble President of India on 21 st February, 2019 in order to immediately ban all illicit deposit taking schemes indulging in nefarious activities of deposit taking and duping the common people, especially poor, gullible and financially illiterate. Hence, it has requested all the State Governments and Union Territories to take necessary action on appointment of officers, constitution of designated Courts, Making of Rules etc., and issue of notifications in this regard in consultation with the Central Government.

2. In the letter 2nd read above, proposals have been received from the Additional Director General of Police, Crime Investigation Department, A.P., Mangalagiri. Accordingly, necessary proposals on "Banning of Unregulated Deposit Schemes (draft rules)" were sent to Government of India for their concurrence prior to issue of notification. The same were approved by the Government of India vide reference 5th read above.

3. Accordingly, the following draft notification will be published in the extraordinary issue of the Andhra Pradesh Gazette, dated: 04-09-2022.

NOTIFICATION

In exercise of the powers conferred by sub-section (1) of section-38 of The Banning of Unregulated Deposit Schemes Act, 2019 (Act No.21 of 2019) the Government of Andhra Pradesh hereby makes the following rules namely: -

1. Short title and Commencement -

(1) These rules may be called the Andhra Pradesh Banning of Unregulated Deposit Schemes Rules, 2022.

(2) These rules shall come into force on the date of their publication in the official Gazette.

2. Definitions:- In these rules, unless the context otherwise requires:

(a) "Act" means The Banning of Unregulated Deposit Schemes Act, 2019 (Act 21 of 2019);

Contd...02

(b) "Competent Authority" means an authority appointed by the appropriate Government under Section 7 of the Act.

(c) "Government" means the Government of Andhra Pradesh.

3. The Competent Authority's Right to require information:-

The Competent Authority shall have the power to require any deposit taker or its officers or any officer or authority of the Government or a local authority or any other person to furnish such information as may be required and such deposit taker or officer or authority of the Government or local authority or person shall furnish such information to the Competent Authority.

4. Powers relating to Absconding person:-

(1) "where the Competent Authority is satisfied or has reason to believe that a person in respect of whom action is contemplated under the Act has absconded or is concealing himself, the Competent Authority shall make a report in writing to the Special Court."

5. Power to freeze or seize property:

(1) "Where the Competent Authority is satisfied or has reason to believe that any property which is liable to be attached under the Act is likely to be concealed, transferred or dealt with in any manner which will result in defeating the purpose of the Act, the Competent Authority may make an order seizing such property or where it is not practicable to seize such property, make an order that such property shall not be transferred or otherwise dealt with, except with the prior permission of the Designated Court."

(2) The Competent Authority may take the assistance of any subordinate officer of the Government to take possessions of the property in respect of which an order of seizure of freezing has been made under sub-rule(1)."

(3) Any officer-in-charge of Police Station when required by the Competent Authority, shall take all steps, including inquiry, investigation or survey in respect of any person, place, property, documents, books of account, etc., for the purpose of tracing and identifying the properties.

(4) The Competent Authority shall maintain a record of all income received and expenditure incurred in respect of the property received, managed and disposed and furnish the same to the Designated Court.

6. When an order is made attaching the money or other property, transfers void:- when an ad-interim order attaching the money or other property of a deposit taker is made by the Competent Authority under Section 7 of the Act, such money or property referred to in the order shall not be transferred to any other person by any mode whatsoever and if any such transfer is made, it shall be null and void.

7. Competent Authority to assist Special Public Prosecutor:- The Competent Authority shall render such assistance to the Special Public Prosecutor in conducting the cases in the Special Court, as may be required.

8. Power of Government to remove difficulty:- if any difficulty arises in carrying out the provisions of the Act or the rules the Competent Authority shall refer it to the Government and the Government may pass such order as they deem fit in accordance with the provisions of the Act, in consultation with the Central Government.

Contd...03

9. Protection of Action taken in good faith:- No suit, prosecution or other proceedings shall lie against the Government or the Competent Authority or against any person for anything done or intended to be done in good faith for the purpose of carrying out the provisions of the Act or these rules.

10. Periodical payments made by the members of the self-help Groups established with the previous sanction of the State Government for their own benefit up to Rs.10,000/- per annum will not be classified as deposits for the purpose of this Act.

11. Deposits collected for small businesses like Swagruha Stores and Chenetha Societies, with the previous sanction of State Government for the mutual benefit of their members up to the amount of Rs.10,000/ per one year of each member will not be classified as deposits for the purpose of this Act.

12. Deposits collected for the development of religious institutions and other public institutions for performing Annadanam and maintaining veda patasala and Gosala for public, up to the amount of Rs.10,000/- per annum will not be classified as deposits for the purpose of this Act.

13. The Competent Authority shall authorize the investigation officer to launch prosecution.

14. The assisting officers and investigation officer authorized by the Competent Authority may seize all records and the properties connected with the crime as per the procedure prescribed in the code of Criminal Procedure, 1973.

15. Appointment of Special Public Prosecutors and Special Government Pleaders for conducting the Cases before the Designated Courts:- In view of establishment of Designated Courts to try the cases under the Act, the Government may appoint the public prosecutors attached to the Designated Courts established under this Act as Special Public Prosecutors as well as Special Government Pleaders for the purpose of conducting the cases filed under the Act, within their respective Jurisdiction.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

HARISH KUMAR GUPTA
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Commissioner, Printing, Stationery and Stores Purchase,Vijayawada,
(for publication in the Extraordinary issue of the Andhra Pradesh Gazette Dated:04.09.2022 and to supply 600 copies)
The Additional Director General of Police, Crime Investigation Department, A.P., Mangalagiri.
The Director General of Police, A.P., Mangalagiri.
All the District Collectors in the State.
The Commissioner of Police, Vijayawada and Visakhapatnam.

Copy to:-

The Law(C) Department
The Finance Department.
Sf/Sc.

//FORWARDED BY ORDER//

SECTION OFFICER